FY 2002 PERFORMANCE BASED INCENTIVE:

SECTION 1 GENERAL INFORMATION

Performance Incentive Number:	NE2 (PBI-14)		
Program Based Summary Number:	N/A		
Performance Incentive Short Title:	**TRA/ATR Operations**		
Revision Number & Date:	Revision 0 October 1, 2001		
Maximum Available Incentive Fee:	$2.77M		
Performance Incentive Type:	☒Base	☐Stretch	☐Superstretch
Duration:	☒Annual	☐Multi-year	
Fee Payment Type:	☒Completion	☐Progress	☐Provisional
DOE Technical Contact:	R. Furstenau		
BBWI Technical Contact:	J. C. Midgett		
(check appropriate box)			

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

☒ Outcome #1 Deliver science-based, engineered solutions.

☐ Outcome #2 Complete environmental cleanup responsibly.

☐ Outcome #3 Provide leadership and support to optimize investments.

☐ Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY02. Identify associated PBS # for each performance measures as appropriate.

Measure 1: Safely and effectively operate the ATR to maximize work completed within available funds.

Expectation: 1a. Achieve 100% operating efficiency. Exclusions are defined in the assumptions section. The maximum fee for this measure is achievable within the funding provided.

Expectation: 1b. Operate the ATR with no unplanned outages and no safety basis events. Exclusions are defined in the assumptions section. The maximum fee for this expectation is achievable within the funding provided.

Measure 2: Safely and effectively operate the TRA/ATR while maximizing work completed within available funds.

Expectation 1: Targets are established to demonstrate nominal and achievable cost efficiencies in operating–funded activities (NR & NE) at the TRA.

Measure 3: Establish management systems and customer contracts to occupy vacant/underutilized ATR irradiation space with a long-term goal of full ATR Utilization to maximize irradiation revenues to help offset NR operating costs. This measure also supports the role of the INEEL as lead laboratory for NE research and development. The use of NE facilities at the TRA to support other NE R&D programs is encouraged by this measure.

Expectation 1:Targets are established to achieve nominal increases in ATR utilization revenues compared to FY01.

Measure 4: Perform construction project management in a safe and cost effective manner in order to meet established milestones for cost and schedule for identified TRA construction projects.

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Expectation 1: Identified construction projects are completed within cost and schedule parameters defined in established milestones.

Measure 5: Establish a sound business approach to provide cost effective hot cell services. The expectations will be established at a date TBD.

SECTION 4
FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Measure 1: ATR Operating Performance & Nuclear Safety Management. Maximum Fee is $1840K. Fee Type is completion. This measure is effective for FY-02.

Expectation 1a: ATR Operating Efficiency. Max fee for Expectation 1a is: $1570K. The earned fee is calculated as follows: (max fee $ for 1a)x(ATR Operating Efficiency % - 90%)/10%.

No fee is earned if ATR Operating Efficiency is < 90%.

Expectation 1b: Nuclear Safety Management. Maximum fee for Expectation 1b is: $270K. Deductions from the maximum fee will be made as follows. Deductions cannot total more than the maximum fee for Expectation 1b:

- Unplanned Outage Deductions:
- 1 (one) outage = No deduction
- 2 (two) outages = $25K
- over 2 two outages = $100K per outage
- Safety Basis Event Deductions
- $200K for each ATR safety limit violation
- $100K for each ATR limiting-condition-for-operation violation
- $30K for each failure to perform a surveillance required by the ATR Technical Safety Requirements (TSR) or for each unrecognized entry into an ATR TSR action statement

Measure 2: TRA/ATR Cost Efficiency. Maximum Fee is $300K. Fee type is completion. This measure is effective for FY-02.

If the identified work scope is accomplished for less than the total target cost, BBWI will receive an incentive fee of 20 cents for each dollar of identified total cost savings up to the maximum fee for this measure. In addition, any cost savings that are beyond the max fee established for Measure 2 will earn a fee of 25 cents for each dollar of identified cost savings up to any unearned fee amount from Measure 1.

Measure 3: ATR Utilization. Maximum Fee is $430K. Fee Type is completion. This measure is effective for FY-02.

a. BBWI will receive 15 cents for every dollar of actual costs associated with engineering design and project management for a new product or experiment (other than the prime test sponsors). Max Fee: $290K.

b. BBWI will receive 20 cents for every dollar of billable ATR irradiation charges (other than the prime test sponsors). Max Fee: - $140K.

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Measure 4: TRA Construction Project Efficiency. Maximum Fee is $200K. Fee Type is completion. This measure is effective for FY-02.

a. BBWI will receive $100K fee for completion of the construction phase of the TRA Warm Waste Piping (30") Replacement Project (i.e. system operational) by December 31, 2001. If the milestone is met, but total project costs exceed estimates contained in the approved Project Execution Plan, a deduction of $25K will be applied. Max Fee: $100K.

b. BBWI will receive allocated fee when schedule milestones for identified construction projects are met and if projects are within budget as defined in approved project management planning documents. Max Fee: $100K.

Measure 5: Establish Cost Effective Hot Cell Services. The fee assigned to this measure will come from other measures within this PBI. The assigned fee and defined measures will be established at a date TBD using PEMP change control.

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: (*Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the only gateway requirements for this Performance Measure.)*

Measure 1: None

Measure 2: None

Measure 3: None

Measure 4: FY-2001 TRA construction project milestones as defined in U. S. DOE Performance Measurement Plan for Bechtel BWXT Idaho, LLC, for evaluation period October 1, 2000 - September 30, 2001, (latest revision in effect as of September 30, 2001).

Measure 5: None

GENERAL REQUIREMENTS: (*Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

Measure 1: Operating efficiency is the ratio of actual hours at full power plus scheduled outage hours to the total number of hours available in the evaluation period (beginning October 1 each fiscal year), rounded to two decimal places. Actual Hours at full power are the number of hours the ATR is operating at full power (i.e., N_F, as specified in the ATR Test Plan for each operating cycle), rounded to two decimal places.

Scheduled outage hours are the hours the Advanced Test Reactor is in outage mode, as published in the ATR Planned Outage, DOE Incentive Schedule, in effect at the start of each outage.

Unplanned outages are defined as any outage not specified in the approved ATR Test Plan. Operating time losses or gains are determined using the ATR Planned Outage, DOE Incentive Schedule for the outage. Exclusions to unplanned outages and operating time losses are defined in the Assumptions section.

Unrecognized entry into an ATR TSR action statement is defined as (a) decisions or actions that cause unintended or improper entry into an action statement, or (b) entry into an action statement that is not recognized. Equipment failure that places the plant into an action statement is excluded, unless such a condition is not recognized.

Deductions for unplanned outages will be reduced by 25% if the unplanned outage results from conservative actions taken by BBWI to mitigate potential degradation of plant safety.

Measure 2: The approved TRA/ATR budgets and work scope represent a baseline for demonstrating cost savings to maximize support provided to the prime sponsor, Naval Reactors, and other TRA customers. The initial scope of work and total target cost for FY 2002 will be established by Change Control Board action for both Naval Reactors and Nuclear Energy-Landlord operating and maintenance budgets (excluding construction operating support). In the event the board

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fails to establish the work scope and costs, the Government may unilaterally establish the baseline. Workscope supports appropriation-funded work for Naval Reactors and the Office Nuclear Energy, Science & Technology (NE Landlord).

DOE shall approve all proposed cost savings before being counted as meeting the measure. DOE must approve, in advance, any new workscope funded by cost savings generated under this incentive. Approval for new workscope generated from cost savings can be verbal, but must be followed by formal change control. In the same manner that fee will be paid for completing identified work scope for less than the target cost, fee will be deducted at the rate of 20 cents for each dollar where the total target cost for the identified workscope is exceeded. Deductions cannot exceed the maximum fee available for this measure.

Measure 3: Revenue from irradiation charges indicates how much ATR irradiation capacity customers other than the Naval Reactor test sponsors are using. The method for calculating irradiation charges (e.g. flux trap charges, irradiation unit charges) is described in the "Pricing Policy for the Advanced Test Reactor Materials and Services." A target goal for irradiation revenues will be established at the beginning of each fiscal year as agreed upon between BBWI and DOE-ID. Fee will be based on gross revenues and is considered earned when production is billable. Adjustments may be necessary if billed irradiation charges are different from actual irradiation charges (i.e. if calculated charges are different from measured charges).

New engineering sales are a precursor to irradiation charges. In most cases, engineering must occur before irradiation charges and revenues can be realized in the reactor. A typical lead-time of 18 months is necessary from the start of design to the first generation of irradiation charges. Maintaining new users to share operating costs over the long term is reflected in funded design work for future reactor irradiations. The success of BBWI's marketing and sales program is first realized by engineering sales. A target goal for new engineering sales expected to lead to future irradiation revenues will be established at the beginning of each fiscal year as agreed upon between BBWI and DOE-ID. Fee is considered earned when engineering dollars are costed.

Measure 4: DOE will select construction projects and specify identified milestones for FY-2002 construction projects with agreement from BBWI. Each identified milestone will have fee allocated based on need, current project status, project complexity, and budget and schedule risk. Selected milestones and associated fee allocation will be provided to BBWI in a Contracting Officer Representative (COR) letter by September 30, 2001.

Should any current FY-2001 project fail to meet FY-2001 PEMP milestone(s), DOE will consider the circumstances related to the failure to meet the milestones, and will assign new milestones for these projects as appropriate. No additional fee will be allocated to the revised milestones; however, a specified deduction to fee earned may apply if these revised milestones are not met. Additional details will be provided in the above referenced COR letter. (See Previous Year's Gateway)

Measure 4a is contingent upon Project Authorization by DOE and approval of the Project Execution Plan (PEP) by October 1, 2001. Measure is also contingent upon full project funding in accordance with the PEP.

Measure 5: TBD via change control.

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)*

Measure 1: This measure is completed at the end of each Fiscal Year, as indicated by a year to date cumulative operating efficiency level, and deductions based on any unscheduled outages, TSR violations or action statements entered.

Measure 2: This measure is completed at the end of each Fiscal Year, as indicated by a year-to-date cumulative savings total for qualified cost savings measures approved by DOE-ID.

Measure 3: This measure is completed at the end of each Fiscal Year, as indicated by a year-to-date cumulative total of eligible engineering services and irradiation services provided to customers other than the prime sponsor.

Measure 4: This measure is completed at the end of each Fiscal Year, as indicated by cost and schedule performance to identified milestones.

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Measure 5: TBD via change control.

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)*

Measure 1: Provide an ATR Planned Outage, DOE Incentive Schedule to DOE-ID for information one week prior to each scheduled outage.

Provide a reconciliation report to DOE for information following each outage summarizing the actual outage hours vs. the scheduled outage hours and reasons for any difference; the work packages completed (with scheduled hours for each) vs. those scheduled and reasons for any difference; any unscheduled work completed that was not scheduled, and a proposed operating time gain or loss for the outage as compared to the ATR Planned Outage, DOE Incentive Schedule for the outage. Also include a running total of the ATR operating performance measure for the Fiscal Year to date.

Measure 2: Provide a monthly progress report and briefing to DOE-ID summarizing the year-to-date cost savings items approved by DOE-ID and the dollars saved for each item; the additional work that was performed with the savings realized; a summary of progress toward completion of identified cost savings opportunities, plans and schedules to achieve savings, and savings achieved to date; and a list of new cost savings opportunities identified during the previous month.

Measure 3: Provide a monthly report and briefing to DOE-ID on new business contracts signed during the previous month, a status of work in progress for each existing contract, including problems and proposed resolutions, and contract opportunities being pursued and efforts completed or accomplishments achieved for each during the previous month. Also include a running total of the ATR Utilization performance measure for the Fiscal Year to date.

Measure 4: Provide a monthly report, and a briefing to DOE-ID at the monthly construction meeting, identifying the cost and schedule status of meeting the identified construction project milestones, and remedies or corrective actions planned or in place to recover any unfavorable cost or schedule variances.

Measure 5: TBD via change control.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

Measure 1: Operating time losses or unplanned outages, referred to as lost time events, which are determined by DOE-ID as being beyond the control of BBWI, are excluded.

A lost time event is within the control of BBWI when the DOE-ID Program Manager determines that BBWI reasonably could have or should have taken action to prevent or mitigate the significance of the event, and that the action(s) was not taken. All other events are considered beyond the control of BBWI. Examples of lost time events that may be excluded are commercial power outages, acts of nature, premature/unanticipated failure of material, negotiated customer requests approved by DOE, equipment identified as needing replacement but unfunded or underfunded, or unrecognized legacy safety analysis deficiencies.

Following conclusion of the lost time event and return to operation, DOE-ID and BBWI will discuss the cause of the lost time event to attempt to reach agreement on whether the lost time event was beyond the control of BBWI. If DOE-ID determines that the cause for a lost time event is within the control of BBWI, and BBWI believes the event should be excluded on a case basis, BBWI shall document in writing to DOE-ID the nature of the cause and the basis for being beyond its control, within 30 days of the conclusion of the event. Failure to so notify DOE-ID in writing within 30 days forfeits the right to appeal.

DOE-ID will respond in writing within 30 days with its decision as to whether the lost time event will be excluded from the performance measure, and the basis for this decision. -.

These exclusions are not intended to apply to a situation where the contractor elects to accept an operating risk that contributes to an operating time loss or an unplanned outage.

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Measure 2: None

Measure 3: None

Measure 4: Milestones that are missed due to circumstances which are determined by DOE-ID as being beyond the control of BBWI are excluded.

Measure 5: TBD via change control.

SECTION 6 SIGNATURES

10/16/01
Date

W. N. Sato
Assistant Manager
Technology Programs & Operations

10/16/01
Date

L. Watkins
Vice President
BBWI Nuclear Programs & Site Operations